

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES  
PRIORITY MAIL CONTRACT 504 (MC2019-76)  
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2019-81

**USPS NOTICE OF AMENDMENT TO  
PRIORITY MAIL CONTRACT 504, FILED UNDER SEAL**  
(December 8, 2020)

The Postal Service hereby provides notice that the terms of Priority Mail Contract 504, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to Priority Mail Contract 504 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective three business days following the day that the Commission completes its review of this filing.

This amendment will not materially affect the cost coverage of Priority Mail Contract 504. Therefore, the supporting financial documentation and financial certification initially filed in this docket remain applicable. The Postal Service hereby incorporates by reference the Application for Non-Public Treatment originally filed in this docket, for the protection of the customer-identifying information that has been filed under seal.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

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December 8, 2020

**ATTACHMENT A TO REQUEST**

**REDACTED AMENDMENT TO PRIORITY MAIL CONTRACT 504**

**AMENDMENT #2**  
**OF**  
**SHIPPING SERVICES CONTRACT**  
**BETWEEN**  
**THE UNITED STATES POSTAL SERVICE**  
**AND**  
**REGARDING**  
**PRIORITY MAIL SERVICE**

WHEREAS, the United States Postal Service (the “Postal Service”) and [REDACTED] (“Customer”) entered into a Shipping Services Contract, Priority Mail Contract 504/Docket No. CP2019-81, regarding Priority Mail Service on January 11, 2019.

WHEREAS, the Parties desire to amend the terms in Sections I.E, I.F, I.G and to replace Tables A and B of the Contract, and to add new Table C to the Contract.

NOW, THEREFORE, the Parties agree that the Contract is hereby amended as detailed below. The existing Contract remains unchanged in all other respects. This Amendment shall become effective three (3) business days following the day on which the Commission issues all necessary regulatory approval.

[Replace Sections I.E, I.F, I.G; replace Tables A and Table B in Section I.E; and add new Table C in Section I.G, as follows.]

**I. Terms**

E. Volume Commitment. Customer should ship an average of [REDACTED] Total Packages per Contract Quarter.

1. Contract Quarters. “Quarter(s)” or “Contract Quarter(s)”, refer to the periods as follow in Table A.

**Table A**

<b>Period Name</b>	<b>Start of Period</b>	<b>End of Period</b>
Quarter 1	January 1 <sup>st</sup>	March 31 <sup>st</sup>
Quarter 2	April 1 <sup>st</sup>	June 30 <sup>th</sup>
Quarter 3	July 1 <sup>st</sup>	September 30 <sup>th</sup>
Quarter 4	October 1 <sup>st</sup>	December 31 <sup>st</sup>

2. Tier threshold. As outlined in Table B below, the following quarterly average volumes must be met in order to achieve the applicable Contract Package prices in Section I.H.



- F. Customer shall pay Tier 2 prices for its Contract Packages from the effective date of this Amendment until December 31, 2020. Beginning January 1, 2021 subsequent Contract Quarters will be determined by the quarterly average of Total Packages shipped during the term of this Contract. If the quarterly average of Total Packages shipped falls below the minimum volume set for Tier 1 pricing, the Postal Service in its sole discretion has the right to revert Customer to the most current Priority Mail Commercial Plus Prices for the subsequent Contract Quarter.
- G. Customized prices for this Contract will be based on a rolling four (4) Quarter average. Following December 31, 2020, the average will be based on the number of Total Packages shipped, divided by the number of full Contract Quarters achieved. For example, the quarterly average of Total Packages shipped for the period January 1, 2020 through December 31, 2020 will determine the tier pricing as of January 1, 2021. At the conclusion of the first four (4) full Contract Quarters, pricing for subsequent quarters will be calculated by the number of Total Packages shipped in the previous four (4) Contract Quarters divided by four (4). The Postal Service will calculate the number of Total Packages and the number of applicable Contract Quarters to calculate and apply the appropriate rate table within fifteen (15) calendar days of the conclusion of that Contract Quarter. Table C below illustrates the method in determining tier level and corresponding prices.

**Table C**

<b>Contract Year 2 (CY 2020)</b>	<b>Tier Determination</b>
Quarter 4 (Oct. 1 – Dec. 31, 2020)	Tier 2 Pricing
<b>Contract Year 3 (CY 2021)</b>	<b>Tier Determination</b>
Quarter 1	Total Packages Shipped (CY2 Q's 1,2,3&4) ÷ 4
Quarter 2	Total Packages Shipped (CY2 Q's 2,3&4 + CY3 Q 1) ÷ 4
Quarter 3	Total Packages Shipped (CY2 Q's 3&4 + CY3 Q's 1&2) ÷ 4
Quarter 4	Total Packages Shipped (CY2 Q 4 + CY3 Q's 1,2&3) ÷ 4
<b>Contract Year 4 (CY 2022)</b>	<b>Tier Determination</b>
Quarter 1 (Jan. 1 – Feb. 14, 2022)	Total Packages Shipped (CY3 Q's 1,2,3&4) ÷ 4

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be duly executed as of the later date below:

UNITED STATES POSTAL SERVICE

Signed by: Christine Bailey

Printed Name: Christine Bailey

Title: Vice President Sales

Date: 11/9/2020

